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Full-Service Trade Association Representing Dairy Processors, Manufacturers and Distributors Since 1928

To: Members of the Connecticut General Assembly Environment Committee

Chairs: The Honorable Joseph P. Gresko and The Honorable Rick Lopes

From: Paul M. Harvey, Director of Regulatory Affairs

Date: February 28, 2023

Subj: Extended Producer Responsibility and Post Consumer Content Requirements

Memorandum of Opposition

House Bill 6664

Extended Producer Responsibility and Post Consumer Content Requirements

Northeast Dairy Foods Association, Inc. is a full-service trade association consisting of dairy processors, manufacturers, and distributors who conduct business in the Northeast United States, including Connecticut. Our members are also the customers of dairy producers in the region, including Connecticut.

Our association is opposed to House Bill 6664, which would require packaging manufacturers and food producers to absorb the cost of disposal and recycling of their product containers. These regulations would shift the cost of disposal from state and local municipalities to industries already facing numerous challenges due to fluctuating global markets and workforce shortages, especially resulting from the COVID-19 pandemic. We respectfully request a modification to this legislation for the following reasons:

- House Bill 6664 does not account for the significant strides the agricultural industry has taken to improve the sustainability of its containers and processes. As an industry, agriculture has taken significant, proactive measures to obtain, secure, and develop quality packaging materials that are already either recyclable or sustainable.
- Many of our members conduct business operations in multiple states bordering Connecticut and throughout the country. Through the enactment of House Bill 6664, conducting business in our neighboring states would significantly increase the cost of business and place dairy products produced in Connecticut at a significant competitive disadvantage both regionally and nationally. Many dairy agriculture brands manufactured in Connecticut also compete in the national marketplace and costs associated with House Bill 6664 would hurt Connecticut dairy product producers not only regionally, but also nationally.
- Requiring food and beverage manufacturers to absorb additional costs would unnecessarily place additional risk on businesses who are already struggling to compete with other present economic factors, such as, historic levels of inflation and transportation costs brought on by both national and international supply chain and labor shortage issues.

Dairy food product producers, as well as other industries within Connecticut's agriculture sector, have shown significant willingness to adopt environmentally responsible policies and practices. Through the adoption of new techniques and technologies, dairy food producers and processors are keenly aware of the importance of environmental sustainability to continue to provide not only a livelihood for their families, but also those of their communities.

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In addition to providing jobs in Connecticut's agriculture sector, dairy food product producers provide critical revenue-generating components to other industries, such as tourism and transportation. Without the dairy industry, many other industries and state residents alike would face significant losses of revenue and sources of income, loss of job opportunities, and would increase dependence on out-of-state suppliers for basic foodstuffs and staples, such as milk, yogurt, and cheeses.

While states like Oregon, Maine, and New Jersey have all adopted similar producer responsibility legislation, all three states have included legislative language that exempts beverage and dairy food producers and processors to varying degrees. Maine and New Jersey, especially, have done so in acknowledgement that agriculture, especially dairy producers, processors, and products, play a vital role in state and national economies. We, therefore, respectfully request language be added to House Bill 6664 exempting the beverage and dairy industries from regulations pertaining to the extended producer responsibility requirements.

In addition, domestic capabilities of producing sustainable and environmentally-conscious packaging still lacks a significant footprint in relation to the overall domestic production of packaging and containers in the United States. According to the Environmental Protection Agency, the lack of domestic production combined with the exponential decrease of international exports due to changing international trade policies has left recycling processors with excess material and few prospective buyers. Passing this legislation would exacerbate already significant barriers to manufacturers across Connecticut.

When crafting this legislation, we ask every consideration be given to the health of vital Connecticut industries, like dairy agriculture, and those who are dependent on it as a way of life. Protecting our economy and our environment is a difficult balance, but it is possible when government and business work together for the common good.

Thank you very much for your consideration of our position.

Respectfully,

A handwritten signature in black ink that reads "Paul M. Harvey". The signature is written in a cursive, flowing style.

Paul M. Harvey
Director of Regulatory Affairs
Northeast Dairy Foods Association